

In the Matter of)	No. G 01-42
)	
The Market Conduct Examination of)	FINDINGS, CONCLUSIONS,
)	AND ORDER ADOPTING REPORT
Northwest Washington		
Medical Bureau		OF
		MARKET CONDUCT EXAMINATION
COMPANY)	
A Domestic Insurer.		

BACKGROUND

An examination of the market conduct of **Northwest Washington Medical Bureau** (the Company) as of December 31, 1999, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company holds a Washington certificate of authority as a health care service contractor. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and comments and recommendations was transmitted to the Company for its comments on February 15, 2001. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 40 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Northwest Washington Medical Bureau** and to order the Company to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on pages 27 and 28.

1. The Company is ordered to comply with WAC 284-50-200 and to maintain a complete advertising file. (Report Pages 8 and 9; Inst. 1, pg.27)
2. The Company is ordered to comply with WAC 284-50-060(2) and to cease the use of the word "comprehensive" in any advertising materials such that "comprehensive" may exaggerate benefits provided by the Company. (Report Pages 8 and 9; Inst. 2, pg.27)
3. The Company is ordered to comply with WAC 284-50-110(3) and to disclose the source of all statistical references used in the Company's advertising materials. (Report Pages 8 and 9; Inst. 3, pg. 27)
4. The Company is ordered to comply with RCW 48.43.055 and to file its procedures for review and adjudication of complaints. (Report Page 15; Inst. 4, pg. 27)
5. The Company is ordered to comply with RCW 48.44.040 and WAC 284-43-920(1) and to only use rates and benefits that have been filed and approved by the OIC. (Report Pages 16, 21 and 22; Inst. 5, pg. 27)
6. The Company is ordered to comply with RCW 48.43.005(10) and RCW 48.43.093(1)(a) and to correct the definition of emergency treatment in its individual plan contracts and endorsements that will be in use until July 1, 2001. (Report Pages 17 and 18; Inst. 6, pg. 27)

7. The Company is ordered to comply with RCW 48.44.070 and WAC 284-43-330(1) and (2) and to file its provider contract forms at least 15 days prior to use. (Report Pages 19, 20, and 21; Inst. 7, pg. 27)
8. The Company is ordered to comply with Chapter 284-51 WAC and to make any necessary claim system programming adjustments in order to appropriately track and maintain Coordination of Benefits standards. (Report pages 24 and 25; Inst. 8, pg. 27)
9. It is ordered that the Company consider monitoring of customer service personnel in order to minimize member complaints due to misquoting of benefits. (Report Page 12; Recomm. 1, pg. 28)
10. It is ordered that the Company adhere to its complaint procedures in order to meet written guidelines for complaint resolution. (Report Page 13; Recomm. 2, pg. 28)
11. It is ordered that the Company maintain complete underwriting and contract files for both quoted and in-force business. (Report Pages 17, 21, and 22; Recomm. 3, pg. 28)
12. It is ordered that the Company revise its pharmacy provider contracts to show Washington as the state of governing law. (Report Pages 19 and 20; Recomm. 4, pg. 28)
13. It is ordered that the Company implement an auditing procedure to ensure claim data entry is correct. (Report Page 24 and 25; Recomm. 5, pg. 28)
14. It is ordered that the Company maintain copies of all claim documentation in a system suitable to data storage for claims. (Report Page 24 and 25; Recomm. 6, pg. 28)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 31st day of July, 2001.

MIKE KREIDLER
Insurance Commissioner